

ORDINANCE NO. 2020-3

AN ORDINANCE PLEDGING CERTAIN LOCAL INCOME
TAX REVENUES TO BONDS OF THE LAPORTE COUNTY
BUILDING CORPORATION AND AUTHORIZING THE USE
OF CERTAIN FUNDS ON HAND

WHEREAS, the Board of Commissioners ("Board") of LaPorte County, Indiana ("County") has determined that providing for the construction of the renovation and expansion of the Michigan City County Courthouse, together with all necessary appurtenances, related improvements and equipment (collectively, "Project") by the LaPorte County Building Corporation ("Corporation") and the leasing of the same to the County is in the public interest of the citizens of the County;

WHEREAS, the County is a recipient of a certified share of revenues under IC 6-3.6 ("LIT Statute"), and a portion of its certified share is now designated as the County's certified shares;

WHEREAS, IC 6-3.6-6-18 of the LIT Statute permits lease payments payable from the County's certified shares set forth in IC 6-3.6-6-4(3) ("Certified Shares") for any of the purposes of the County as described in IC 6-3.6-6-17; and

WHEREAS, the County Council has determined to pledge the Certified Shares to the payment of lease rentals due under the Lease Agreement between the County and the Corporation; and

WHEREAS, the estimated total cost of financing the Project, including issuance expenses, is now estimated to be approximately \$22,895,000 plus investment earnings on the bond proceeds; and

WHEREAS, the County Council has previously approved the use of funds on deposit in its Emergency Reserve Fund to pay a portion of the Project costs;

NOW, THEREFORE, BE IT ORDAINED BY THE LAPORTE COUNTY COUNCIL,
THAT:

Section 1. In consideration of the Board's desire to proceed with the financing of the Project, the County Council hereby pledges the Certified Shares for the payment of lease rentals due under the lease to be entered into by and between the Corporation and the County to finance the Project ("Lease").

Section 2. The County Council authorizes the use of \$8,000,000 held in the County's Emergency Reserve Fund to be used to pay a portion of the costs of the Project ("County Contribution"). The County Auditor is authorized and directed to transfer said County Contribution to the Trustee, as defined in the Lease, and such transfer shall be completed no later than the date of delivery of the bonds payable from the lease rentals. If the County paid Project costs from the County Contribution before the delivery of said bonds, the amount of the County Contribution transferred to the Trustee shall be reduced by the amounts paid by the County before the delivery of the bonds. Further, the County Auditor and the County are authorized and directed to complete any other steps required to legally appropriate and use the County Contribution to pay a portion of the costs of the Project.

Section 3. The County Council further covenants that it will take no action to rescind or repeal the Certified Shares or to take any action that would result in the County receiving a smaller distributive share of the Certified Shares than the distributive share of the Certified Shares to which it was entitled on the effective date of this ordinance. The County Council further covenants that it will take no action to rescind the Certified Shares or reduce the Certified Shares as long as lease rentals are payable under the Lease.

Section 4. The County has not pledged or otherwise encumbered its Certified Shares, and there are no prior liens, encumbrances or other restrictions on the Certified Shares or on the County's ability to pledge Certified Shares to the payment of lease rentals.

Section 5. The Lessee reserves the right to enter into leases or other obligations entitled to the pledge of Certified Shares on a parity with this Lease in accordance with the requirements set forth below ("Parity Obligations") for the purpose of raising money for future projects of the County authorized under the LIT Statute or to refund outstanding obligations of the County. The authorization and issuance of Parity Obligations shall be subject to the following conditions precedent:

(a) All rental payments due under the Lease and all payments on any Parity Obligations shall be current to date in accordance with the terms thereof, with no payment in arrears;


(b) For Parity Obligations without a property tax backup, the County and the Corporation shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant ("Certifier") certifying the amount of the Certified Shares estimated to be received in each succeeding year, adjusted as provided, below, shall be at least equal to one hundred thirty-five percent (135%) of the lease rental and debt service requirements with respect to the outstanding Lease and the proposed Parity Obligations, for each respective year during the term of the outstanding Lease and Parity Obligations. In calculating this coverage, the Certifier may take into account any increase in the Certified Shares which has been approved by the County but which has not yet been collected or distributed to the County. The County shall approve and confirm the figures and estimates set forth in the above-described certificate in any resolution or ordinance authorizing the Parity Obligations.







(c) Payments of any Parity Obligations or junior obligations shall be payable semiannually on January 15 and July 15. The terms and conditions of any Parity Obligations shall be set forth in the resolution or ordinance authorizing such Parity Obligations.

Section 6. This ordinance shall be in full force and effect immediately upon its passage.



Dated this 23rd day of March, 2020.

LAPORTE COUNTY COUNCIL


Presiding Officer

ATTEST:


LaPorte County Auditor

Chief Deputy Auditor